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FOREIGN SERVICE DESPATCH

DEPARTMENT OF STATE

FROM : Amembassy HELSINKI

REVIEWED BY

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON, D.C.

DATE October 15, 1958

REF : Despatch 214 of October 3, 1958

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	REC'D	OTHER	
	EUR-5	RM/R-2, S/S-2, G-1, S/P-1, C-1, W/O-1, W/MSC-3	
	10/17	CIA-12, USA-10, OCB-1, OSD-4, ARMY-4, NAVY-3	

SUBJECT: Debate on Fenno-Soviet Relations.

Submission of the annual budget proposals (1959) by the Fagerholm Government was the signal for resumption on October 9 also of the controversy which had flared earlier in the press over whether or not the Soviet Government is attempting to bring about a change of regime in Finland by subtle, or not so subtle, expressions of its disapproval of the six-week old Fagerholm Cabinet.

Anticipating that opposition spokesmen would raise the foreign policy question, Foreign Minister VIROLAINEN prepared a statement which, as indicated in advance, he presented in the Diet during the October 9 debate. (Enclosure No. 3 contains all but the portions on foreign trade; the Finnish text and the balance of the translation will be forwarded separately.) His harshest critic, in the opinion of pro-government newspapers, was not the Communist-front SKDL speakers who numbered 23 among the fifty-some who spoke in an all-night session, but Aarre SIMONEN, Chairman of the SD Opposition Diet Group, members of which were second most numerous in the debate. The concluding portions of Simonen's speech, dealing with foreign relations and trade, are enclosed (Enclosure No. 4).

Simultaneously with the budget debate the Soviet press had issued another of its commentaries on Finnish domestic affairs, the main novelty of which was to intensify its previous criticism of the Agrarians for participating in the Fagerholm Government. Agrarian "Maakansa" reprinted the Soviet article in full, without comment other than a headline emphasizing this point (Enclosure No. 2). Much the same message was contained in an editorial in Communist "Kansan Uutiset" on October 11, which concluded with a somewhat sharper appraisal of the faults of the present Government than has previously been seen:

"The Cabinet's aim is to change Finland's foreign policy from the so-called Paasikivi line and to make it something like that of the Armistice period*, when the Cabinet and the bourgeois press kept promising just as they are doing now, that friendly and "normal" relations prevail with the Soviet Union - at the same time as the German "companions-in-arms" were preparing their positions for an attack in the North of Finland. It is true that this time there are no such "companions-in-arms" in the country, but the measures the Cabinet has taken behind the curtain for Finland's affiliation closer with the Western powers, as well as the spirit of foreign policy that prevails in the whole Cabinet, are in the same category.

* the 1940-41 inter-war period is intended.

GGHilliker:ejy

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"This Cabinet is unable to manage Finland's foreign policy, and every moment it is in office will cause more damage to the authority and confidence our country has previously enjoyed. The Cabinet has every reason to resign, and quickly, before the damage caused by it is irreparable. Have our leading circles really not yet properly considered what inestimably disastrous results the continuation and further development of the present situation will cause to our country? "

The reaction of the pro-Government press to this was prompt and vigorous, but directed more against the Finnish opposition groups or, at most, against Soviet journalists, than against the Soviet Government directly. The strongest reply appeared in independent "Helsingin Sanomat" of October 11 (Enclosure No. 1), while "Suomen Sosialidemokraatti", organ of the regular SDP, made its strongest comment in a column on October 13 under the pen-name "Ville Vaitelias", which concluded thus:

" Now the Communists and Simonists seem to have gone quite mad. They are doing their best to give a wrong picture of our country to the Soviet Union, and to do that they seem to resort even to lies and distortion.

" We do not, however, believe yet that the Soviet Union would form its opinion about Finland on the basis of the distortions made by these blessed comedians. Some correspondent may make the mistake of aping the speeches made and the articles written by the Finnish Communists and Simonists, but apparently we must not consider them to be of any major importance.

"The speeches of Enne and the other Communists one can understand somehow or other. Their entire policy aims at taking our country to the path of Czechoslovakia. But the fact that Simonen and his companions, whom we have so far considered to be Social Democrats and Finns, join the Communist chorus, seems incomprehensible to us. It seems that these men and women no longer have even the slightest idea of what the interest of the native country demands. The game has become a hard one. "

Thus far there has been no formal move by the opposition groups to bring about the downfall of the Fagerholm Government and, judging from Simonen's heavily sarcastic "patience" with the Government, none is planned for the immediate future.

For the Ambassador:

Grant G. Hilliker

Grant G. Hilliker
Second Secretary of Embassy

Enclosures:

1. Translation from "Helsingin Sanomat".
2. Translation from "Maakansa" Oct. 11.
3. Translation of Statement by Foreign Minister Virolainen.
4. Translation of Simonen's Speech.

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western country.

for understandable reasons rarely much more broadly than in perhaps any other the life and conditions of our neighbor the Soviet Union are explained in the papers of the representative of the western countries. Our papers seek balance, and the claims must also be rejected that our newspapers give space one-sidedly to the press in our country and that we hold firmly to it here. In this connection had not been thought of, second it must be stressed that freedom of speech that most of these memoirs appeared many months ago when the present government the present government is made responsible for them. First it must be recalled various memoirs taken as a sign that reaction has come to power here and that it is also strange to note in certain Soviet papers that the appearance of

out of whole cloth.

Union. All this should show that talk about all will of the government is made Finnish side to see that no breach would appear between Finland and the Soviet approach it seems clearly apparent that everything possible had been done from the debate of how the government had managed foreign relations this far. From the situation for the past year a factual statement in the opening of the budget of the great powers while also further strengthening good relations based on the foreign policy and endeavor to keep our country outside the conflicts of interest announced in the program that it would continue the established orientation of kind of government that would try to work to damage this. The government itself for Soviet-Soviet friendship. It is senseless to imagine that he would approve by the President. President Kekkonen is known as a man who has labored energetically completely without bias. Finland's relations with foreign states are determined is trying to change the country's foreign policy line. It is misrepresentation and when "International Life" gives its readers the impression that the government

a small minority of our people.

and independent Soviet Democratic opinions which are one-sided and represent Finland, instead that, but was content by the pen of D. Borisov to explain the objectivity. Keskisuomalainen did not, at least in the article concerning conditions in foreign countries, would try at least to some sense for balance and as the consideration of international questions and explanation to its readers. It would be expected, nevertheless, that a publication which sees its task every paper carefully has the right to treat matters in the way it thinks

the periodical Keskisuomalainen the "Zvezda" or "Kommunist" "International Life". toward our country. The latest example of this is the article by D. Borisov in distorted information also to get certain Soviet publications adversely disposed the foreign policy of the government only at home, but it tries by one-sided and that opposition apparently is not satisfied with some suspicion concerning

On the Road of Distortion

Editorial
October 11, 1958
Helsingin Sanomat

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From Helsinki

The information that Ambassador Labedev has been relieved of his office and transferred to other duties certainly gives to our opposition new enthusiasm to accuse the Government of incompetence in foreign policy. If the opposition for its own part sincerely sought to foster relations between Finland and the Soviet Union, it would not raise a sensation over the matter, because we do not know of any reasons for the Ambassador's departure. This may be a vain hope. The Communists and Skogists are perpetually bitter that they were left out of the government, and now all means seem to be permitted for the loosening of bad winds.

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Translated from "Haakanse", October 11, 1958

**Soviet Paper Criticizes Our Cabinet Solution
"Agrarian Party Surrenders to Rightists"**

Moscow, October 9. (Soviet Information Bureau) - The Soviet periodical "Mezhdunarodnaja Zhizn" (International Life) has published in its 10th issue of this year an article by D. Borisov entitled "Finland After the Elections". After giving the composition of the Fagerholm Government, Borisov continues:

In political circles of Finland the new government is regarded as the most rightist of the post-war years. For the first time since the war the extreme rightist Conservative Party shares government responsibility. With the rightist social democrats, it acquired the possibility of decisively influencing government policy. Notice is attached primarily to the fact that the SKDL, which was a victory in the July elections and now forms the largest group in the Diet, is not represented in the Government. The SD Opposition refused to take part in the government.

In a statement of the SKDL Diet Group as well as in a letter of the SD Opposition group to Prime Minister Fagerholm, it was emphasized that the formation of this kind of government in the first place does not correspond to the will of the people as expressed in the Diet elections and, in addition, endangers the country's present foreign policy orientation and represents a continued attack by the monopolists against the workers.

That the formation of the present government from Conservative and the most rightist social democratic representatives accords with the interests of certain Finnish circles is proved by the statements of the rightist press and by that open satisfaction with which the formation of the new government was received therein. Recognizing that the broadening of the cabinet base occurred to the right and that the rightist hope of forming a government with the Conservatives finally was fulfilled, the rightist papers "Uusi Suomi" and "Helsingin Sanomat" write of "a turning point in the internal politics of the country".

In the situation created after the victory achieved by the democratic forces in the July elections, the formation of this kind of government was possible only as a consequence of betrayal by the Social Democratic Party led by the Tannerists and the surrender of the Agrarian Party before the rightists.

Precisely the supporters of Tanner and Leskinen prevented the formation of a government based on a leftist majority. By entering into an open alliance with the Conservative Party the Tannerists have finally revealed themselves and become in the words of the trade union paper "Päivän Sanomat" a "conservative support group".

On the Agrarian Party road to a rightist government there have been more curves. Until the last elections the Agrarians opposed the efforts of reactionary circles to change the country's foreign policy. But after the SKDL election victory the attitude of the Agrarians began to change.

Rightists circles began to press the Agrarian Party more forcefully than before and to frighten it with the consequences it could reap by continuing its collaboration with the SKML. After the Party election defeat a part of the Agrarian leadership yielded to the pressure and set out to collaborate with the rightists.

Thereby the Agrarians lost their former influence on government policy. In the new government they received only five portfolios out of fifteen, while the Conservatives and rightist Social Democrats have a total of eight.

The new Government promises in its program to continue the previous foreign policy. The Conservative leadership nevertheless does nothing to end the speeches of certain prominent party members and newspaper articles which aim directly at the weakening of the "Paasikivi Line" and Fenne-Soviet relations. As regards the Social Democratic Party's Tannerist leadership, it does not even try to conceal its hostility toward the "Paasikivi Line". Recently, on August 25, Tanner spoke in Turku and said categorically that the Soviet Union was a "dangerous neighbor" and frightened his kindred spirits with the "danger of Communism". This kind of slanderous statements afford ample material for concluding that the Tannerists, along with the Conservatives, would like to force Finland to go back to the former foreign policy, which has caused so much misfortune for the country.

The great majority of Finnish people condemn efforts of enemies of friendly Fenne-Soviet relations. In Finland the words of the late President Paasikivi are well remembered: "Our foreign policy can never in the future again be directed against the Soviet Union, we must convince our eastern neighbor that we follow this policy unflinchingly." The democratic forces of Finland fight against all efforts to disturb USSR-Finnish friendship.

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Disp. No. 217

From Helsinki

Translation

Statement in Diet by Foreign Minister Virolainen, October 9,
on Fanno-Soviet Relations

As the previous speakers have already touched upon questions relating to Finnish foreign policy and foreign trade, I consider it my duty to explain briefly certain foreign policy decisions. In keeping with the government program "the government continues the established orientation of foreign policy and attempts to keep our country outside of great power disputes as well as further to strengthen good relations of trust with all countries, especially neighboring countries". The Government has followed this statement of program in all foreign policy matters, adhering in its own activities strictly to the established foreign principles of our neutral and peace loving foreign policy which are applied irrespective of changes of cabinet.

The Finnish delegation participating in the thirteenth General Assembly of the United Nations operates according to the same principles as did our delegations in the two previous General Assemblies. As in the past, we support all constructive activities as well as all decisions and actions capable of realization. On the other hand, the Finnish delegation avoids all support of activities which could cause or deepen controversies or which imply harsh criticism.

Thus far the most notable matter in the UN General Assembly has been the question of Chinese membership. As is known, the Finnish delegation has spoken in support of the proposals which would lead to giving the Chinese place to the Chinese People's Republic.

Our Ambassador in Moscow last Saturday presented to the Deputy Foreign Minister of the Foreign Ministry of the Soviet Union the Finnish Government's reply to the note of the Soviet Union dated July 15 concerning the proposal for an agreement of friendship and collaboration among European states. The Swedish government presented its reply during the first part of September and the Norwegian government a few days before us. The Danish as well as the Austrian governments have not yet replied. The Finnish Government places the greatest value on efforts of the Soviet Union to strengthen peace as was clearly brought out in our reply. It is noted, unfortunately, that the Soviet proposal of last July was lost in the excitement caused by Near East crisis.

During the visit of the President of the Republic to the Soviet Union last May, it was agreed that negotiations would be held on certain questions in which Finland and the Soviet Union were interested. Discussion of these economic questions which are important to Finland has proceeded as follows:

As regards first the negotiations on the right to use the Saimaa Canal, the Soviet authorities are at present studying the proposals of the Finnish delegation presented to the Soviet delegation on September 11. Supplementary materials will be supplied by Finland.

* Bracketed sentences were omitted from text as published October 10 in Agraarian "Maakansa".

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Finland would be prepared to negotiate technical arrangements connected with a long term credit. The Soviet Union has not, however, yet considered itself able to discuss the matter.

An agreement on fishing in the Gulf of Finland was reached at the end of August. The Soviet Union has stated that the agreement was sent to fishing and other authorities for study. Accordingly, no time has been determined for its signature.

Information concerning the construction of a power plant on the Vuoksi River has not yet been sent by the Soviet Union to commercial authorities to Imatran Voima Oy; therefore, the Finnish authorities have no exact idea of the work to be done. The Soviet Union recently stated that certain technical problems relating to the project are still being examined.

Translator: A. Nopanen

Source: Foreign Ministry Release

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From Helsinki

Excerpt from remarks by Diet Member
Aarre Simonen (SocDem Opposition) in
budget debate, October 9, 1958

The Government may have been surprised up to this point, that in my speech on behalf of the SD Opposition Diet Group I have not yet gone into the actions or inactions that have thus far occurred in the Government's management of foreign affairs. The Government need not delude itself in this respect by imagining that this side of its activities—or inactivities—will remain unnoticed.

In the name of reason, however, let us give the Government more time in this respect to show whether it wishes—and above all whether it is able—to look after foreign policy in the manner demanded by the national interests.

In a period of six weeks some other governments have accomplished something. But let's be patient. Perhaps the personal qualifications of the present cabinet presuppose a slow acceleration and a straightening out of the details of foreign policy tangles with time and deliberation.

Therefore we do not want to give rise to the impression that the government opposition would irresponsibly press for haste. Only after some time, when the Government cannot even claim that it has not had time or that it lacked the ability, the opposition may inquire whether the Government has been able to reach a solution in accord with national interest, for example, in the question of fishing rights for fishermen in the Gulf of Finland in certain Soviet waters, the draft agreement for which the previous government negotiated to completion except for the signature, or does the present government consider the matter so trivial that it can be forgotten. In time we may further inquire, when the present government surely will have had enough time for sincere efforts, whether the negotiations concerning use of the Saimaa Canal have led—or even are leading—to results. It would be interesting and even quite important, even relatively briefly, to hear whether the Government has been able to secure the continuation of butter exports to eastern markets and the corresponding grain imports and treatment of them thereafter even from the end of the year, whether proposals have been made in this regard and whether the Government has reason to believe that it has the ability and skill to solve this problem in keeping with the national interest. The Government surely will not take it badly if in time, again after a sufficient interval, when the Government has had an opportunity to show its competence as well as its skill and will in negotiation, we respectfully ask whether the loan promised to our country by the Soviet Union already early this year has been—or even is being—agreed upon, in order that the favorable possibilities of the loan for increasing of investment would be easing the situation by alleviation of the unemployment crisis already in the coming winter which may be difficult to an extent not foreseen.

It can perhaps reasonably be expected that at least in these three aforementioned questions, in which the agreement of the highest Soviet authorities has already been obtained in principle and partly in considerable detail—admittedly given during the period of the previous government—the present government may be able to solve

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its abilities in the creation of the practical arrangements presupposed in these questions, since the main lines of the arrangements already exist and can hardly be spoiled even by unintentional clumsiness.

The Government surely will also not resent it if in the near future, by no means denying our concern, we inquire what the Government has been able to achieve for the development of trade directed toward our eastern neighbor or—so as to be again too patient with the Government—even for the maintenance of the present level, which is quite indispensable for national employment. At least that far in the period of the present government perhaps nothing worthy of mention has been done in this regard, if not nothing at all in addition to those steps initiated during the time of the previous government.

The Government may be aware that our western neighbors are now making serious efforts to capture from us those kinds of eastern markets for our industry, which we have since the war gotten used to regarding as traditionally belonging to us. It would be quite proper to know what the Government intends to do, and think it can do, to protect our export interests.

The Government is surely aware also that our foreign trade, our industrial production level and the employment situation deriving therefrom are threatened as regards the eastern trade by other difficulties of such magnitude that they presuppose from the Government both the desire and especially the ability to reach broad and very urgent decisions, if we wish to long avoid lasting reductions in production and the consequences flowing therefrom which will have a very deep influence on our society. Whether the present government has the ability and can stand up to this, is a question, the answer to which the Finnish people do not have reserves to await very long.

The Government's budget proposal and the thoughts raised by it do not give a particularly elevating picture of what our people have to expect from the activities of the present government.

We now have a real reactionary government, the policies of which do not have a good reputation with wage-earners and small farmers, or with the poorer classes generally. We have a government, the competence of which to manage questions vital to the country is already now, observing the coldest objectivity of all, must at least be considered questionable. It is to be hoped that the present "miracle", "know-how" and "expert" government already in the course of this day has passed in many respects the "half-way point", and it must be equally hoped that the final half will end at least without outright national damage.

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